

**FISCAL NOTE
PUBLIC COST**

- I. Department Title: Title 13 - Department of Social Services
Division Title: Division 70 - MO HealthNet Division
Chapter Title:**

Rule Number and Name:	13 CSR 70-3.260 Asthma Education and Asthma Environmental Assessments
Type of Rulemaking:	Proposed Rule

II. SUMMARY OF FISCAL IMPACT

Affected Agency or Political Subdivision	Estimated Cost of Compliance in the Aggregate
Department of Social Services, MO HealthNet Division	Annual Fiscal Year Impact – (\$596,163)

III. WORKSHEET

Total savings for the program is estimated to be (\$596,163). MO HealthNet determined 1,502 children in fee for service would be eligible at a cost of \$350 per child, for a total cost of \$525,700. There would be a savings in emergency department and inpatient hospital visits for the fee for service population of (\$912,888), for a net fee for service savings of (\$387,188). MO HealthNet determined there would be 1,998 children in managed care that would be eligible at a cost of \$350, for a total cost of \$699,300. There would also be an actuarial analysis in year one of \$25,000. There would be a savings in emergency department and inpatient hospital visits for the managed care population of (\$933,275), for a net managed care savings of (\$208,975). The total net savings for fee for service and managed care is estimated at (\$596,163).

IV. ASSUMPTIONS

MO HealthNet assumes that 3,500 children could receive services. This was based on 2014 HEDIS requirements for the denominator of the measure “Use of Appropriate Medications for People with Asthma”. Of those participants meeting this criteria, MO HealthNet further refined the group by identifying only MO HealthNet children with an Emergency Room visit or an Inpatient Stay.

MO HealthNet assumes that each child identified could receive \$350 in services per year. This would consist of 2 in-home assessments per year at \$125 each and (4) four 15-minute sessions of asthma education at \$25 per 15-minutes, or (1) one 90-minute session at \$100 for 90 minutes.

MO HealthNet assumes that 1,502 participants will be in fee-for-service and 1,998 will be in Managed Care. The cost for fee-for-service are estimated to be \$525,700 (1,502 x \$350). The cost for those in Managed Care are estimated to be \$699,300 (1,998 x \$350). This cost will be included in the capitated rate. There will also be an actuarial analysis for the first year, estimated to be \$25,000.

The savings were calculated using a benefit cost ratio from an article published in the American Journal of Preventive Medicine, and applied to the MO HealthNet population for Emergency Department and Inpatient Hospital Admissions.

The Fee for Service savings were estimated at the mid-range of the cost savings, which is a total of (\$912,888) – GR (\$334,824); FF – (\$578,064).

The Managed Care savings were estimated at the mid-range of the cost savings, which is a total of (\$933,275) – GR (\$342,302); FF – (\$590,973).

The Fee For Service Net savings in FY16 is estimated to be
TOTAL - (\$387,188); GR – (\$142,011); FF – (\$245,177).

The Managed Care cost in FY 16 is estimated to be
TOTAL – (\$208,975); GR – (\$73,316); FF – (\$135,659).